

In re: USA Commercial Mortgage Company

Case No. 06-10725-LBR

**CHAPTER 11
 MONTHLY OPERATING REPORT
 (GENERAL BUSINESS CASE)**

SUMMARY OF FINANCIAL STATUS

MONTH ENDED: Jul-13

PETITION DATE: 04/13/06

1. Debtor in possession (or trustee) hereby submits this Monthly Operating Report on the Accrual Basis of accounting (or if checked here the Office of the U.S. Trustee or the Court has approved the Cash Basis of Accounting for the Debtor).
 Dollars reported in \$1

	<u>End of Current Month</u>	<u>End of Prior Month</u>	<u>As of April 13, 2006</u>
2. Asset and Liability Structure			
a. Current Assets	\$0	\$0	
b. Total Assets	\$0	\$0	\$122,468,825
c. Current Liabilities	\$0	\$0	
d. Total Liabilities	\$0	\$0	\$61,634,630
3. Statement of Cash Receipts & Disbursements for Month	<u>Current Month</u>	<u>Prior Month</u>	<u>Cumulative (Case to Date)</u>
a. Total Receipts	\$0	\$0	\$40,576,057
b. Total Disbursements	\$0	\$0	\$41,152,289
c. Excess (Deficiency) of Receipts Over Disbursements (a - b)	\$0	\$0	(\$576,232)
d. Cash Balance Beginning of Month	\$0	\$0	\$576,232
e. Cash Balance End of Month (c + d)	\$0	\$0	\$0
4. Profit/(Loss) from the Statement of Operations	<u>Current Month</u>	<u>Prior Month</u>	<u>Cumulative (Case to Date)</u>
5. Account Receivables (Pre and Post Petition)	\$0	\$0	
6. Post-Petition Liabilities	\$0	\$0	
7. Past Due Post-Petition Account Payables (over 30 days)	\$0	\$0	

At the end of this reporting month:

8. Have any payments been made on pre-petition debt, other than payments in the normal course to secured creditors or lessors? (if yes, attach listing including date of payment, amount of payment and name of payee) Yes _____ No _____
 9. Have any payments been made to professionals? (if yes, attach listing including date of payment, amount of payment and name of payee) Yes _____ No _____
 10. If the answer is yes to 8 or 9, were all such payments approved by the court? Yes _____ No _____
 11. Have any payments been made to officers, insiders, shareholders, relatives? (if yes, attach listing including date of payment, amount and reason for payment, and name of payee) Yes _____ No _____
 12. Is the estate insured for replacement cost of assets and for general liability? Yes _____ No _____
 13. Are a plan and disclosure statement on file? Yes _____ No _____
 14. Was there any post-petition borrowing during this reporting period? Yes _____ No _____
 15. Check if paid: Post-petition taxes x; U.S. Trustee Quarterly Fees x; Check if filing is current for: Post-petition tax reporting and tax returns: x. (Attach explanation, if post-petition taxes or U.S. Trustee Quarterly Fees are not paid current or if post-petition tax reporting and tax return filings are not current.)

I declare under penalty of perjury I have reviewed the above summary and attached financial statements, and after making reasonable inquiry believe these documents are correct.

Date: 8/20/13


 Responsible Individual

STATEMENT OF OPERATIONS

(General Business Case)

Attach an Explanation of Variance to Statement of Operations (For variances greater than +/- 10% only):

BALANCE SHEET
(General Business Case)
For the Month Ended 07/31/13

Assets

		<u>From Schedules</u>	<u>Market Value</u>
Current Assets			
1 Cash and cash equivalents - unrestricted			
2 Cash and cash equivalents - restricted			
3 Accounts receivable (net)	A		\$0
4 Inventory	B		\$0
5 Prepaid expenses			
6 Professional retainers			
7 Other: _____			
8			
9 Total Current Assets			\$0
Property and Equipment (Market Value)			
10 Real property	C		\$0
11 Machinery and equipment	D		\$0
12 Furniture and fixtures	D		\$0
13 Office equipment	D		\$0
14 Leasehold improvements	D		\$0
15 Vehicles	D		\$0
16 Other: _____	D		
17	D		
18	D		
19	D		
20	D		
21 Total Property and Equipment			\$0
Other Assets			
22 Loans to shareholders			
23 Loans to affiliates			
24			
25			
26			
27			
28 Total Other Assets			\$0
29 Total Assets			\$0

NOTE:

Indicate the method used to estimate the market value of assets (e.g., appraisals; familiarity with comparable market prices, etc.) and the date the value was determined.

Liabilities and Equity

Liabilities From Schedules

Post-Petition

Current Liabilities

30	Salaries and wages	
31	Payroll taxes	
32	Real and personal property taxes	
33	Income taxes	
34	Sales taxes	
35	Notes payable (short term)	
36	Accounts payable (trade)	A \$0
37	Real property lease arrearage	
38	Personal property lease arrearage	
39	Accrued professional fees	
40	Current portion of long-term post-petition debt (due within 12 months)	
41	Other:	
42		
43		
44	Total Current Liabilities	\$0
45	Long-Term Post-Petition Debt, Net of Current Portion	
46	Total Post-Petition Liabilities	\$0
47	Pre-Petition Liabilities (allowed amount)	
48	Secured claims	F \$0
49	Priority unsecured claims	F \$0
50	General unsecured claims	F \$0
51	Total Pre-Petition Liabilities	\$0
52	Total Liabilities	\$0
53	Equity (Deficit)	
54	Retained Earnings/(Deficit) at time of filing	\$38,932,893
55	Capital Stock	\$75,000
56	Additional paid-in capital	
57	Cumulative profit/(loss) since filing of case	(\$39,007,893)
58	Post-petition contributions/(distributions) or (draws)	
59	Market value adjustment	
60	Total Equity (Deficit)	\$0
61	Total Liabilities and Equity (Deficit)	\$0

SCHEDULES TO THE BALANCE SHEET

(General Business Case)

Schedule A

Accounts Receivable and (Net) Payable

Receivables and Payables Agings	Accounts Receivable [Pre and Post Petition]	Accounts Payable [Post Petition]	Past Due Post Petition Debt
0 -30 Days			
31-60 Days			
61-90 Days			
91+ Days			\$0
Total accounts receivable/payable	\$0	\$0	
Allowance for doubtful accounts			
Accounts receivable (net)	\$0		

Schedule B
Inventory/Cost of Goods Sold

<u>Types and Amount of Inventory(ies)</u>	<u>Inventory(ies)</u> <u>Balance at</u> <u>End of Month</u>	<u>Cost of Goods Sold</u>
Retail/Restaurants - Product for resale	_____	<u>Inventory Beginning of Month</u> Add - Net purchase _____ Direct labor _____ Manufacturing overhead _____ Freight in _____ Other: _____ <u>Less -</u> Inventory End of Month _____ Shrinkage _____ Personal Use _____
Distribution - Products for resale	_____	
Manufacturer - Raw Materials Work-in-progress Finished goods	_____ _____ _____	
Other - Explain	_____	<u>Cost of Goods Sold</u> _____ \$0
<u>TOTAL</u>	_____	_____ \$0

Method of Inventory Control

Do you have a functioning perpetual inventory system?

Yes No

How often do you take a complete physical inventory?

Weekly

Monthly

Quarterly

Semi-annually

Annually

Date of last physical inventory was _____

Date of next physical inventory is

Inventory Valuation Methods

Indicate by a checkmark method of inventory used.

Valuation methods -

FIFO cost

LIFO cost

Lower of cost or market

Retail method

Other

Explain

**Schedule C
Real Property**

Description	<u>Cost</u>	<u>Market Value</u>
Total	\$0	\$0

**Schedule D
Other Depreciable Assets**

Description	<u>Cost</u>	<u>Market Value</u>
Machinery & Equipment -		
Total	\$0	\$0
Furniture & Fixtures -		
Total	\$0	\$0
Office Equipment -		
Total	\$0	\$0
Leasehold Improvements -		
Total	\$0	\$0
Vehicles -		
Total	\$0	\$0

Schedule E**Aging of Post-Petition Taxes
(As of End of the Current Reporting Period)**

Taxes Payable	0-30 Days	31-60 Days	61-90 Days	91+ Days	Total
Federal					
Income Tax Withholding					\$0
FICA - Employee					\$0
FICA - Employer					\$0
Unemployment (FUTA)					\$0
Income					\$0
Other (Attach List)					\$0
Total Federal Taxes	\$0	\$0	\$0	\$0	\$0
State and Local					
Income Tax Withholding					\$0
Unemployment (UT)					\$0
Disability Insurance (DI)					\$0
Empl. Training Tax (ETT)					\$0
Sales					\$0
Excise					\$0
Real property					\$0
Personal property					\$0
Income					\$0
Other (Attach List)					\$0
Total State & Local Taxes	\$0	\$0	\$0	\$0	\$0
Total Taxes	\$0	\$0	\$0	\$0	\$0

**Schedule F
Pre-Petition Liabilities****List Total Claims For Each Classification -**

	Claimed Amount	Allowed Amount (b)
Secured claims (a)		
Priority claims other than taxes		
Priority tax claims		
General unsecured claims		

(a) List total amount of claims even it under secured.
 (b) Estimated amount of claim to be allowed after compromise or litigation. As an example, you are a defendant in a lawsuit alleging damage of \$10,000,000 and a proof of claim is filed in that amount. You believe that you can settle the case for a claim of \$3,000,000. For Schedule F reporting purposes you should list \$10,000,000 as the Claimed Amount and \$3,000,000 as the Allowed Amount.

**Schedule G
Rental Income Information
Not applicable to General Business Cases****Schedule H
Recapitulation of Funds Held at End of Month**

	Account 1	Account 2	Account 3	Account 4
Bank				
Account Type				
Account No.				
Account Purpose				
Balance, End of Month				
Total Funds on Hand for all Accounts	\$0			

Attach copies of the month end bank statement(s), reconciliation(s), and the check register(s) to the Monthly Operating Report.

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS**Increase/(Decrease) in Cash and Cash Equivalents**For the Month Ended 07/31/13

		Actual Current Month	Cumulative (Case to Date)
Cash Receipts			
1	Rent/Leases Collected		
2	Cash Received from Sales		\$7,861,555
3	Interest Received		\$559,259
4	Borrowings		
5	Funds from Shareholders, Partners, or Other Insiders		\$5,000
6	Capital Contributions		
7	Management Fees from USA Capital Realty Advisors, LLC		\$1,564,093
8	Tax, Security Deposit, and Other Refunds		\$8,929
9	Principal Received on Notes Receivable		\$82,832
10	Escrow Deposit/ Sale Proceeds/ Effective Date transfer		\$30,494,389
11			
12	Total Cash Receipts	\$0	\$40,576,057
Cash Disbursements			
13	Payments for Inventory		
14	Selling		\$2,619
15	Administrative		\$1,104,247
16	Capital Expenditures		
17	Principal Payments on Debt		\$150,645
18	Interest Paid		\$4,888
19	Rent/Lease:		9963
20	Personal Property		\$569,426
	Real Property		
21	Amount Paid to Owner(s)/Officer(s)		
22	Salaries		
23	Draws		
24	Commissions/Royalties		
25	Expense Reimbursements		
26	Other		
27	Salaries/Commissions (less employee withholding)		\$1,740,393
28	Management Fees		
29	Taxes:		\$213,091
30	Employee Withholding		\$94,063
31	Employer Payroll Taxes		
32	Real Property Taxes		\$78,889
33	Other Taxes		
34	Other Cash Outflows:		\$19,806,828
35	Professional Fees Paid in Connection with Chapter 11 Case		\$82,742
36	US Trustee Quarterly Fees		\$10,263,353
37	Escrow Deposit/ Interpleader Settlement/ Transfer to Trustee		\$7,031,142
38	DTDF & PBGC Settlement		
39	Total Cash Disbursements:	\$0	\$41,152,289
40	Net Increase (Decrease) in Cash	\$0	(\$576,232)
41	Cash Balance, Beginning of Period		\$576,231
	Cash Balance, End of Period	\$0	\$0

STATEMENT OF CASH FLOWS
 (Optional) Increase/(Decrease) in Cash and Cash Equivalents
 For the Month Ended 07/31/13

		<u>Actual</u>	<u>Cumulative</u>
		<u>Current Month</u>	<u>(Case to Date)</u>
	Cash Flows From Operating Activities		
1	Cash Received from Sales		\$7,861,555
2	Rent/Leases Collected		
3	Interest Received		\$559,259
4	Cash Paid to Suppliers		
5	Cash Paid for Selling Expenses		\$2,619
6	Cash Paid for Administrative Expenses		\$1,104,247
7	Cash Paid for Rents/Leases:		
8	Personal Property		\$9,963
9	Real Property		\$569,426
10	Cash Paid for Interest		\$4,888
	Cash Paid for Net Payroll and Benefits		
	Cash Paid to Owner(s)/Officer(s)		\$1,740,393
11	Salaries		
12	Draws		
13	Commissions/Royalties		
14	Expense Reimbursements		
15	Other		
	Cash Paid for Taxes Paid/Deposited to Tax Acct.		
16	Employer Payroll Tax		\$94,063
17	Employee Withholdings		\$213,091
18	Real Property Taxes		
19	Other Taxes		\$78,889
20	Cash Paid for General Expenses		
21	Management Fees from USA Capital Realty Advisors, LLC		(\$1,564,093)
22	Tax, Security Deposit, and Other Refunds		(\$8,929)
23	Principal Received on Notes Receivable		(\$82,832)
24			\$0
25			
26			
27	Net Cash Provided (Used) by Operating Activities before Reorganization Items	\$0	\$6,259,089
	Cash Flows From Reorganization Items		
28	Interest Received on Cash Accumulated Due to Chp 11 Case		
29	Professional Fees Paid for Services in Connection with Chp 11 Case		\$19,806,828
30	U.S. Trustee Quarterly Fees		\$82,742
31			(\$13,199,894)
32	Net Cash Provided (Used) by Reorganization Items	\$0	(\$6,689,676)
33	Net Cash Provided (Used) for Operating Activities and Reorganization Items	\$0	(\$430,587)
	Cash Flows From Investing Activities		
34	Capital Expenditures		
35	Proceeds from Sales of Capital Goods due to Chp 11 Case		
36			
37	Net Cash Provided (Used) by Investing Activities	\$0	\$0
	Cash Flows From Financing Activities		
38	Net Borrowings (Except Insiders)		
39	Net Borrowings from Shareholders, Partners, or Other Insiders		\$5,000
40	Capital Contributions		
41	Principal Payments		\$150,645
42			
43	Net Cash Provided (Used) by Financing Activities	\$0	(\$145,645)
44	Net Increase (Decrease) in Cash and Cash Equivalents	\$0	(\$576,232)
45	Cash and Cash Equivalents at Beginning of Month		\$576,231
46	Cash and Cash Equivalents at End of Month	\$0	\$0